

Crawley Business Quarter Limited

Directors' report and financial statements

31 January 2001

Registered number: 3145531



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Crawley Business Quarter Limited

Directors' report and financial statements

<i>Contents</i>	<i>Page</i>
Directors' report	1
Statement of directors' responsibilities	2
Auditors' report	3
Profit and loss account	4
Balance sheet	5
Notes	6 – 10

Crawley Business Quarter Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 January 2001.

Principal activity and business review

The principal activity of the company is that of property development.

During the year under review the company sold a completed property and started work on a further property development and held land for future property development.

Subsequent to 31 January 2001 the company completed and sold the property development started in the previous period and sold the land previously held for future development.

The results for the period are set out on page 4.

Dividends

The directors do not recommend the payment of a dividend for the period (2000: £nil). The profit for the year transferred to the company's reserves is £589,289 (2000: loss £28,389).

Directors and directors' interests

The directors who held office throughout the year were as follows:

Mr I S Burroughs (resigned 29 October 2001)
Mr T Sands (resigned 11 May 2001)
Mr A F Walker

Ms D J Embley and Ms S M L Parden were appointed directors on 3 May 2001 and 15 November 2001 respectively.

None of the directors who held office at the end of the year had any disclosable interest in the shares of the company or other group companies.

Auditors

The members of the company have passed elective resolutions in accordance with Sections 366A, 252 and 386 of the Companies Act 1985 dispensing with the previous statutory requirement of holding annual general meetings, laying accounts before the company in general meetings and reappointing auditors annually. This last resolution will lead to the continuing appointment of KPMG as auditors of the company until further notice.

By order of the Board



P G Gram
Company Secretary

120 Campden Hill Road
LONDON
W8 7AR

29 November 2001

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- ☐ select suitable accounting policies and then apply them consistently;
- ☐ make judgements and estimates that are reasonable and prudent;
- ☐ state whether applicable accounting policies have been followed, subject to any material departures disclosed and explained in the financial statements;
- ☐ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Crawley Business Quarter Limited

Independent auditors' report to the members of Crawley Business Quarter Limited

We have audited the financial statements on pages 4 to 10.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 January 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



KPMG
Chartered Accountants
Registered Auditors

30 Nov 2001

PO Box 695
8 Salisbury Square
LONDON EC4Y 8BB

Crawley Business Quarter Limited

Profit and loss account

for the year ended 31 January 2001

	Note	Year ended 31 January 2001 £	Year ended 31 January 2000 £
Turnover	2	1,285,398	6,484,436
Cost of sales		(648,961)	(6,349,924)
Gross profit		636,437	134,512
Administrative costs		177,170	(27,803)
Operating profit		813,607	106,709
Other interest receivable and similar income	6	201,813	46,383
Interest payable and similar charges	7	(171,771)	(193,461)
Profit/(loss) on ordinary activities before taxation	5	843,649	(40,369)
Tax on profit/(loss) on ordinary activities	8	(254,360)	11,980
Retained profit/(loss) for the financial period		589,289	(28,389)
Retained profit brought forward		349,296	377,685
Retained profit carried forward	14	938,585	349,296

There are no recognised gains or losses other than the profit for the year. The profit for the year arises from continuing operations.

The notes on pages 6 to 10 form part of these financial statements.

Crawley Business Quarter Limited

Balance sheet

at 31 January 2001

	Note	31 January 2001		31 January 2000	
		£	£	£	£
Fixed assets					
Investments - group undertakings	9		4		4
			<u>4</u>		<u>4</u>
Current assets					
Stocks	10	5,378,270		3,261,167	
Debtors	11	963,893		945,970	
Cash at bank and in hand		390,914		2,014,619	
		<u>6,733,077</u>		<u>6,221,756</u>	
Creditors: amounts falling due within one year	12	<u>(5,794,494)</u>		<u>(5,872,462)</u>	
Net current assets			938,583		349,294
Total assets less current liabilities			<u>938,587</u>		<u>349,298</u>
Capital and reserves					
Called up share capital	13		2		2
Profit and loss account			938,585		349,296
Equity Shareholders' funds	14		<u>938,587</u>		<u>349,298</u>

These financial statements were approved by the Board of Directors on 29 November 2001 and were signed on its behalf by:



A F Walker
Director

The notes on page 6 to 10 form part of these financial statements.

Crawley Business Quarter Limited

Notes

(forming part of the financial statements)

1. Accounting policies

The financial statements have been prepared on the basis of the following significant accounting policies which have been applied consistently for the period under review:

a) *Basis of preparation of financial statements*

The financial statements have been prepared under the historical cost convention, in accordance with applicable accounting standards, and on a going concern basis.

Under Financial Reporting Standard 1 (Revised 1996), which the group has adopted in these financial statements, the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

b) *Development properties and work in progress*

Interest incurred on loans to finance the costs of properties in the course of development is added to the cost of the relevant project with the exception of instances where it would result in cost exceeding net realisable value.

Progress payments received or receivable, where in excess of recorded turnover, are deducted and, to the extent that such payments exceed the value of work in progress on any contract, the excess is included in current liabilities. The amount, if any, by which recorded turnover on long-term contracts is in excess of payments on account is classified as "amounts recoverable on contracts" and is separately disclosed within debtors.

c) *Taxation*

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

2. Turnover

Turnover represents sales of developments in the United Kingdom, excluding value added tax, and includes turnover attributed to long term contracts based on their stage of completion.

3. Staff numbers

The average number of persons employed by the company (including directors) during the year was as follows:

	Year ended 31 January 2001	Year ended 31 January 2000
Management and administration	<u>3</u>	<u>3</u>

Crawley Business Quarter Limited

Notes (continued)

4. Directors' emoluments

The directors received no emoluments for the period. The directors were the only employees of the company.

5. Profit on ordinary activities before taxation

	Year ended 31 January 2001 £	Year ended 31 January 2000 £
Profit on ordinary activities before taxation is stated after charging the following:		
Auditors' remuneration:		
- audit	5,000	2,000

6. Interest receivable and similar income

	Year ended 31 January 2001 £	Year ended 31 January 2000 £
Bank interest receivable	201,813	46,383

7. Interest payable and similar charges

	Year ended 31 January 2001 £	Year ended 31 January 2000 £
Interest payable to parent undertaking	167,553	193,155
Bank interest payable	-	306
Other interest payable	4,218	-
	171,771	193,461

Crawley Business Quarter Limited

Notes (continued)

8. Taxation

	Year ended 31 January 2001 £	Year ended 31 January 2000 £
UK corporation tax (charge)/credit at 30% (2000 : 30%)	(254,360)	11,980

Group relief payments will be received or paid where losses are surrendered to or from other group companies.

9. Fixed asset investments

<u>Shares in group undertakings</u>	£	£
At 1 February 2000 and 31 January 2001	4	4

The investment represents a 100% interest in the ordinary £1 shares of Mowbury Limited

10. Stocks

	31 January 2001 £	31 January 2000 £
Work in progress - development land	5,378,270	3,261,167

11. Debtors: amounts falling due within one year

	31 January 2001 £	31 January 2000 £
Trade debtors	25,000	25,000
Amounts owed by subsidiary undertakings	225,031	-
Amounts owed by fellow subsidiary undertakings	366,216	341,970
Other debtors	347,646	579,000
	963,893	945,970

Crawley Business Quarter Limited

Notes (continued)

12. Creditors: amounts falling due within one year

	31 January 2001 £	31 January 2000 £
Amounts owed to parent undertaking	3,649,249	3,420,479
Amounts owed to fellow subsidiary undertakings	1,302,285	1,049,794
Trade creditors	102,389	966
Accruals and deferred income	705,539	1,401,223
Current taxation	35,032	-
	<u>5,794,494</u>	<u>5,872,462</u>

13. Share capital

	31 January 2001 £	31 January 2000 £
<i>Authorised:</i>		
1,000 Ordinary shares of £1 each,	<u>1,000</u>	<u>1,000</u>
<i>Allotted, called up and fully paid:</i>		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

14. Reconciliation of shareholders' funds

	31 January 2001 £	31 January 2000 £
Profit/(Loss) for the period	589,289	(28,389)
Opening shareholders' funds	<u>349,298</u>	<u>377,687</u>
Closing shareholders' funds	<u>938,587</u>	<u>349,298</u>

15. Contingent liabilities

The company is party to a group overdraft facility of a maximum of £6 million repayable on demand.

Notes *(continued)*

16. Related party transactions

At 31 January 2001, the company's ultimate parent company was Virgin Group Investments Limited whose principal shareholders are certain trusts, none of which individually has a controlling interest in Virgin Group Investments Limited. The principal beneficiaries of those trusts are Sir Richard Branson and his immediate family. The shareholders of Virgin Group Investments Limited have interests directly or indirectly in certain other companies which are considered to give rise to related party disclosures under Financial Reporting Standard 8.

The company, being a wholly owned subsidiary undertaking of Barfair Limited, has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions with entities which form part of that company's group or investees of the group qualifying as related parties.

There are no material transactions and balances by the company with related parties which are required to be disclosed by Financial Reporting Standard 8.

17. Ultimate holding company

The ultimate holding company at 31 January 2001 is Virgin Group Investments Limited, a company registered in the British Virgin Islands.

The highest group in which the results of the company are consolidated is Barfair Limited, a company registered in England and Wales. Copies of the financial statements for this company will be available from the Registrar of Companies, Companies House, Crown Way, Cardiff CF14 3UZ.